

Amendments to the Specification:

Page 6, amend the paragraph beginning on line 11 to read as follows:

Thus, according to a first aspect of the invention, there is provided a material for use as self-lubricating sliding parts, which consists of a steel comprising, by mass, from not less than 0.4 % to less than 1.5 % of C (carbon), 0.1 to 3.0 % of Si, 0.1 to 3.0 % of Mn, from ~~inclusive-zero~~ (inclusive) to 0.5 % of Cr, 0.05 to 3.0 % of Ni, 0.3 to 2.0 % of Al, 0.3 to 20 % in total (Mo + W + V) of at least one element selected from the group consisting of Mo, W (tungsten) and V (vanadium), and 0.05 to 3.0 % of Cu, wherein there can be observed graphite particles having an average particle size of not more than 3 μm in a section of the metal structure of the steel.

Page 7, amend the paragraph beginning on line 14 to read as follows:

According to a second aspect of the invention, there is provided a wire material for use as piston rings, which consists of a steel comprising, by mass, from not less than 0.4 % to less than 1.5 % of C (carbon), 0.1 to 3.0 % of Si, 0.1 to 3.0 % of Mn, from ~~inclusive-zero~~ (inclusive) to 0.5 % of Cr, 0.05 to 3.0 % of Ni, 0.3 to 2.0 % of Al, 0.3 to 20 % in total (Mo + W + V) of at least one element selected from the group consisting of Mo, W (tungsten) and V (vanadium), and 0.05 to 3.0 % of Cu, wherein there can be observed graphite particles having an average particle size of not more than 3 μm in a section of the metal structure of the steel. A piston ring made of the wire material has a metal structure in which sulfide inclusions observed in the structural section, being parallel to the periphery of the piston ring, are distributed such that straight lines each passing through a major axis of the respective sulfide inclusion cross one another within a cross angle of not more than 30 degrees which angle is referred to as a degree of parallelism. According to one preferable embodiment, the graphite particles observed in a section of the metal

structure occupy an area rate of not less than 1 % in the overall area of the structural section, and have an average particle size of not more than 3 μm .

Page 17, amend the paragraph beginning on line 24 to read as follows:

Reformation of graphite precipitates to fine particles may be achieved by either one of (1) introduction of work strains to divide graphite precipitates, (2) inclusion of Al_2O_3 or the like and (3) dispersion of BN, TiC or the like, which serves as a site for precipitation of graphite. However, the method (1) puts restrictions on manufacturing conditions, and the method (2) needs difficult processing for dispersion of Al_2O_3 or the like. The remaining method (3) also needs difficult processing as for high- carbon steel, since proper dispersion of BN, TiC is achieved only by strict control of trace components. As for the known reformation, dispersion of TiC is disclosed by JP-11-246940 A, and precipitation of BN as a site for precipitation of graphite is disclosed by Iwamoto et al., "Iron and Steel" vol.84 (1998), p.57 ~~67~~. But, any method requires heat-treatment for precipitation of a secondary phase in a high-temperature zone of 1000°C or higher in order to raise a diffusion velocity, so that it is hardly applicable to high-alloy steel, wherein alloying elements are likely to significantly aggregate, due to difficulty in uniform distribution of fine graphite particles.

Page 29, amend the paragraph beginning on line 24 to read as follows:

In Fig. 5, the unforged steel with a forging rate of 1 has the structure that sulfide inclusions are distributed with a parallelism more than 30 degrees, but the forged steel with a forging rate of 500 has the structure that any parallelism is controlled to a value of not more than 30 degrees. In fact, the figure of 30 degrees is

a designed value according to rupture mechanics. Fig. 6 is a graph, which illustrates analytical results by G. R. Irwin, "Analysis of Stresses and Strains Near the End of a Crack ~~Transversing~~ Traversing a Plate", Trans. ASME, Ser. E, J. Appl. Mech., Vol.24, No. 3 (1957), pp.361-364, for explaining how to change a stress intensity factor in the state that cracks propagate along a direction different from a stress direction. The analytical results are represented by the formula of:

$$K_I = (1 - \cos^2 \beta) \cdot \sigma \sqrt{\pi a} \quad \text{---Formula 4}$$